

## **Assembly Bill No. 2156**

### **CHAPTER 312**

An act to amend Section 23057 of the Financial Code, relating to deferred deposit transactions.

[Approved by Governor August 25, 2004. Filed with Secretary of State August 25, 2004.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

AB 2156, Reyes. Deferred deposit transactions: advertisements.

Existing law requires the Commissioner of Corporations to report to the Governor and the Legislature, on December 1, 2007, on the implementation of the California Deferral Deposit Transaction Law, which regulates the activities of people who conduct deferred deposit transactions, as defined, prohibits advertisements regarding deferred deposit transactions which are false, misleading, or deceptive, and permits the commissioner to establish requirements regarding statements of rates and charges in connection with deferred deposit transactions.

This bill would require the commissioner's report to the Governor and Legislature to include specified information on the advertising practices of the deferred deposit transactions industry and recommendations regarding additional regulation of these practices.

*The people of the State of California do enact as follows:*

SECTION 1. Section 23057 of the Financial Code is amended to read:

23057. On December 1, 2007, the commissioner shall report to the Governor and the Legislature on its implementation of this division. The report shall include, at a minimum, information regarding the demand for deferred deposit transactions, the growth and trends in the industry, common practices for conducting the business of deferred deposit transactions, the advertising practices of the industry, including any violations of Section 23027, and any other information the commissioner deems necessary to inform the Governor and the Legislature regarding potential legislation that may be necessary to protect the people of the State of California. The commissioner's recommendations for future action may include, but are not limited to, changes in the fees charged to consumers, specifications regarding the length of time for deferred deposit transactions, maximum amount



provided to consumers, additional regulation of advertising practices, and the implementation of an installment loan product in lieu of a deferred deposit transaction as described in this division.

As the commissioner conducts this study, licensees shall be required to supply all information the commissioner deems necessary. The study shall be made public and may not include any proprietary information.

